

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 TRSE-00 FRB-01 XMB-04 DODE-00 PM-04

H-02 L-03 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

/086 W

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R 241510Z AUG 76

FM AMEMBASSY DUBLIN

TO SECSTATE WASHDC 8259

INFO AMCONSUL BELFAST

AMEMBASSY LONDON

UNCLAS DUBLIN 1702

E.O. 11652: N/A

TAGS: EFIN, EGEN, EI

SUBJECT: BANK STRIKE TO END

REF: DUBLIN 1409

1. AT THE CONCLUSION OF A SIX HOUR MEETING ON AUGUST 23 THE EXECUTIVE COMMITTEE OF THE IRISH BANK OFFICIALS ASSOCIATION (IBOA) ANNOUNCED THAT THE BANK STRIKE - NOW IN ITS NINTH WEEK - WOULD END AND FULL RESUMPTION OF WORK WOULD TAKE PLACE AUGUST 31. THIS DECISION FOLLOWS THE BALLOTING AMONG THE 10,600 MEMBERS OF THE IBOA IN WHICH A SMALL MAJORITY VOTED IN FAVOR OF ACCEPTING THE NATIONAL INTERIM PAY INCREASE OF 3 - 5 POUNDS PER WEEK. THIS IS CONSIDERABLY LESS THAN THE BANK OFFICIALS HAD ORIGINALLY DEMANDED. THE SECRETARY GENERAL OF IBOA ANNOUNCED THAT THE UNION'S DECISION TO END THE STRIKE WAS INFLUENCED BY THE APPARENT DETERMINATION OF THE GOVERNMENT TO SET UP AN ALTERNATIVE BANKING SYSTEM. ALSO, MEMBERS OF IBOA, WHO WERE NOT DRAWING SALARIES, WERE ENDURING HARDSHIP. FINALLY, THE SECRETARY GENERAL SAID THAT THE UNION RECOGNIZED THAT "THE ECONOMY OF THE COUNTRY IN GENERAL COULD NOT AFFORD THIS TYPE OF DISPUTE."

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2. A MEETING OF THE BANKS' JOINT INDUSTRIAL COUNCIL WILL TAKE

PLACE ON AFTERNOON OF AGUST 24 UNDER DIRECTORSHIP OF THE LABOR COURT'S CONCILIATION SERVICE. THIS IS TO BE THE FIRST OF A SERIES OF MEETINGS WHICH WILL LEAD TO DISCUSSION BETWEEN THE GOVERNMENT, THE BANKS' MANAGEMENT AND IBOA ABOUT RELATIVITY BETWEEN BANK SALARIES AND THOSE OF COMPARABLE INDUSTRIES. THE BASIC OBJECTIVE OF THESE MEETINGS IS TO ENSURE MORE STABLE INDUSTRIAL RELATIONS IN THE FUTURE. THE IBOA GENERAL SECRETARY HAS STATED HE IS CONFIDENT THAT AN IMPARTIAL EXAMINATION WOULD SHOW THAT BANK EMPLOYEES' SALARIES HAVE NOT KEPT PACE WITH THOSE OF COMPARABLE GROUPS.

3. THE ONE WEEK DELAY IN RESUMPTION OF WORK IN THE BANKS IS DUE TO THE FACT THAT MANY BANK OFFICIALS HAVE OBTAINED TEMPORARY JOBS ELSEWHERE, IN MANY CASES IN BRITAIN. INITIALLY, THE BANKS WILL BE OPEN TO THE PUBLIC ONLY DURING VERY RESTRICTED HOURS AND THERE IS A POSSIBILITY THAT THE 900 BRANCHES THROUGHOUT THE REPUBLIC OF IRELAND MAY REMAIN CLOSED TO THE PUBLIC ALTOGETHER DURING THE FIRST WEEK IN ORDER TO CLEAR THE BACKLOG. THE EXTENT OF THE BACKLOG IS UNKNOWN AND IT IS NOT POSSIBLE TO ESTIMATE HOW LONG IT WILL TAKE TO CLEAR THE SYSTEM AND RESUME NORMAL SERVICES TO THE PUBLIC.

4. THERE WAS AN ALMOST AUDIBLE SIGH OF RELIEF FROM THE PUBLIC AS THE END OF THE BANK STRIKE WAS ANNOUNCED. IT HAS BEEN VERY INCONVENIENT, AND, EVEN WORSE, IT HAS BEEN VERY DAMAGING TO MANY SECTORS OF THE ECONOMY. IT IS DIFFICULT TO MEASURE THE DAMAGE AT THIS POINT BUT THERE IS LITTLE SOUBT THAT THE STRIKE HAD SERIOUS ILL EFFECTS ON AN ECONOMY STILL SUFFERING BADLY FROM RECESSION. UNDOUBTEDLY, IT WILL CONTRIBUTE TO THE REALIZATION OF THE PREDICTIONS OF ZERO GNP GROWTH IN THE IRISH ECONOMY THIS YEAR.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTE SETTLEMENT, LABOR STRIKES, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 DUBLIN 1409  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** cahillha  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 MAR 2004 by ReddocGW>; APPROVED <28 JAN 2005 by cahillha>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BANK STRIKE TO END  
**TAGS:** EFIN, EGEN, EI  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006